



Town of Dumfries
Council Meeting

Meeting Date:

July 10, 2012

Agenda Item#

V – D

AGENDA ITEM FORM

TYPE OF AGENDA ITEM:

- ☒ CONSENT AGENDA
☐ PRESENTATION
☐ ACTION ITEM
☐ TOWN MANAGER & STAFF COMMENTS
☐ PUBLIC HEARING
☐ Duly Advertised

PURPOSE OF ITEM:

- ☐ INFORMATION ONLY
☐ DISCUSSION ONLY
☐ DISCUSSION AND/OR DECISION
☐ Introduction ☒ Resolution
☐ Ordinance ☐ Grant/MOU
☐ By Motion ☐ Bylaws
☐ Certificate

PRESENTER: Dan Taber

PRESENTER TITLE: Town Manager

AGENDA ITEM:

Ratifying a Resolution for Employer Contribution Rates for Counties, Cities, Towns, School Divisions and Other Political Subdivisions and a Resolution for Member Contributions by Salary Reduction for Counties, Cities, Towns, and Other Political Subdivisions

BACKGROUND / SUMMARY:

Council recently approved the FY13 budget that included funding for pensions that met the requirements of the newly passed Virginia state law. We along with many other jurisdictions did not know we had to have a separate resolution with all of the percentages clearly spelled out. The Virginia Retirement System (VRS) notified the Town that they needed the resolution by Friday (June 29, 2012). Since Council approved the budget, by inference the Council did what the resolutions state. The Town Manager (Town Attorney and VRS) agree that the resolutions can be signed and that ratification by Council could be done at the July 10, 2012 meeting.

ATTACHMENTS:

Resolutions

REQUESTED ACTION:

☐ NO ACTION REQUESTED

Adopt the resolutions

FOR MORE INFORMATION, CONTACT:

Name: Dan Taber

Phone#: 703-221-3400

E-mail: dtaber@dumfriesva.gov

FOR USE DURING MEETING

VOTE:

☐ PASSED

☐ NOT PASSED

| Y | N | |
|--------------------------|--------------------------|------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Brewer |
| <input type="checkbox"/> | <input type="checkbox"/> | Praino |
| <input type="checkbox"/> | <input type="checkbox"/> | Washington |

| Y | N | |
|--------------------------|--------------------------|----------|
| <input type="checkbox"/> | <input type="checkbox"/> | Foreman |
| <input type="checkbox"/> | <input type="checkbox"/> | Reynolds |

| Y | N | |
|--------------------------|--------------------------|-----------|
| <input type="checkbox"/> | <input type="checkbox"/> | Forrester |
| <input type="checkbox"/> | <input type="checkbox"/> | Toney |

AT A REGULAR MEETING OF THE DUMFRIES TOWN COUNCIL HELD ON TUESDAY, JULY 10, 2012, IN COUNCIL CHAMBERS, 17755 MAIN STREET, DUMFRIES, VIRGINIA: ON A MOTION DULY MADE BY _____, AND SECONDED BY _____, THE FOLLOWING RESOLUTION WAS ADOPTED BY THE FOLLOWING VOTE:

Charles C. Brewer, ____;
Gerald M. Foreman, II, ____;
Kristin W. Forrester, ____;
Louis A. Praino, ____;
Helen D. Reynolds, ____;
Willie J. Toney, ____;
Gwen P. Washington, ____;

Employer Contribution Rates for Counties, Cities,
Towns, School Divisions and Other Political Subdivisions
(In accordance with the 2012 Appropriation Act Item 468(H))

Resolution

BE IT RESOLVED, that the Town of Dumfries, 55301 does hereby acknowledge that its contribution rates effective July 1, 2012 shall be based on the higher of a) the contribution rate in effect for FY 2012, or b) seventy percent of the results of the June 30, 2011 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2012-14 biennium (the "Alternate Rate") provided that, at its option, the contribution rate may be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to Virginia Code § 51.1-145(I) resulting from the June 30, 2011 actuarial value of assets and liabilities (the "Certified Rate"); and

BE IT ALSO RESOLVED, that the Town of Dumfries, 55301 does hereby certify to the Virginia Retirement System Board of Trustees that it elects to pay the following contribution rate effective July 1, 2012:

(Check only one box)

X The Certified Rate of 19.09% ☐ The Alternate Rate of _____%; and

BE IT ALSO RESOLVED, that the Town of Dumfries, 55301 does hereby certify to the Virginia Retirement System Board of Trustees that it has reviewed and understands the information provided by the Virginia Retirement System outlining the potential future fiscal implications of any election made under the provisions of this resolution; and

NOW, THEREFORE, the officers of the Town of Dumfries, 55301 are hereby authorized and directed in the name of the Town of Dumfries to carry out the provisions of this resolution, and said officers of the Town of Dumfries are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by the Town of Dumfries for this purpose.

Gerald M. Foreman, Mayor

AT A REGULAR MEETING OF THE DUMFRIES TOWN COUNCIL HELD ON TUESDAY, JULY 10, 2012, IN COUNCIL CHAMBERS, 17755 MAIN STREET, DUMFRIES, VIRGINIA: ON A MOTION DULY MADE BY _____, AND SECONDED BY _____, THE FOLLOWING RESOLUTION WAS ADOPTED BY THE FOLLOWING VOTE:

Charles C. Brewer, ____;
Gerald M. Foreman, II, ____;
Kristin W. Forrester, ____;
Louis A. Praino, ____;
Helen D. Reynolds, ____;
Willie J. Toney, ____;
Gwen P. Washington, ____;

**Member Contributions by Salary Reduction for Counties, Cities,
Towns, and Other Political Subdivisions**

(In accordance with Chapter 822 of the 2012 Acts of Assembly (SB497))

Resolution

WHEREAS, the Town of Dumfries, 55301 employees who are Virginia Retirement System members who commence or recommence employment on or after July 1, 2012 ("FY2013 Employees" for purposes of this resolution), shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(h) on a pre-tax basis upon commencing or recommencing employment; and

WHEREAS, the Town of Dumfries, 55301 employees who are Virginia Retirement System members and in service on June 30, 2012, shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(h) on a pre-tax basis no later than July 1, 2016; and

WHEREAS, such employees in service on June 30, 2012, shall contribute a minimum of an additional one percent of their creditable compensation beginning on each July 1 of 2012, 2013, 2014, 2015, and 2016, or until the employees' contributions equal five percent of creditable compensation; and

WHEREAS, the Town of Dumfries, 55301 may elect to require such employees in service on June 30, 2012, to contribute more than an additional one percent each year, in whole percentages, until the employees' contributions equal five percent of creditable compensation; and

WHEREAS, the second enactment clause of Chapter 822 of the 2012 Acts of Assembly (SB497) requires an increase in total creditable compensation, effective July 1, 2012, to each such employee in service on June 30, 2012, to offset the cost of the member contributions, such increase in total creditable compensation to be equal to the difference between five percent of the employee's total creditable compensation and the percentage of the member contribution paid by such employee on January 1, 2012.

BE IT THEREFORE RESOLVED, that the Town of Dumfries, 55301 does hereby certify to the Virginia Retirement System Board of Trustees that it shall effect the implementation of the member

contribution requirements of Chapter 822 of the 2012 Acts of Assembly (SB497) according to the following schedule for the fiscal year beginning July 1, 2012 (i.e., FY2013):

| Type of Employee | Employer Paid Member Contribution | Employee Paid Member Contribution |
|------------------|-----------------------------------|-----------------------------------|
| Plan 1 | % | % |
| Plan 2 | % | % |
| FY2013 Employees | 4% | 1% |

(Note: Each row must add up to 5 percent.); and

BE IT FURTHER RESOLVED, that such contributions, although designated as member contributions, are to be made by the Town of Dumfries in lieu of member contributions; and

BE IT FURTHER RESOLVED, that pick up member contributions shall be paid from the same source of funds as used in paying the wages to affected employees; and

BE IT FURTHER RESOLVED, that member contributions made by the Town of Dumfries under the pick up arrangement shall be treated for all purposes other than income taxation, including but not limited to VRS benefits, in the same manner and to the same extent as member contributions made prior to the pick up arrangement; and

BE IT FURTHER RESOLVED, that nothing herein shall be construed so as to permit or extend an option to VRS members to receive the pick up contributions made by the Town of Dumfries directly instead of having them paid to VRS; and

BE IT FURTHER RESOLVED, that notwithstanding any contractual or other provisions, the wages of each member of VRS who is an employee of the Town of Dumfries shall be reduced by the amount of member contributions picked up by the Town of Dumfries on behalf of such employee pursuant to the foregoing resolutions.

NOW, THEREFORE, the officers of the Town of Dumfries, 55301 are hereby authorized and directed in the name of the Town of Dumfries to carry out the provisions of this resolution, and said officers of the Town of Dumfries are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by the Town of Dumfries for this purpose.

Gerald M. Foreman, Mayor